




Speech By
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MEMBER FOR WARREGO

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STRONG AND SUSTAINABLE RESOURCE COMMUNITIES BILL

 **Ms LEAHY** (Warrego—LNP) (4.38 pm): I rise to contribute to the debate of the Strong and Sustainable Resource Communities Bill 2016. I would like to thank the Infrastructure, Planning and Natural Resources Committee staff for their assistance with the inquiry and the professionalism with which they have produced report No. 42. I would also like to thank the members of the committee from both sides of the House for their participation in the committee process and also the member for Mount Isa, who joined the committee for the hearing at Mount Isa. The committee travelled extensively to regional communities to hear their views on this bill, which is probably better known to many in the regions as the FIFO bill.

The objective of the bill is to ensure that regional communities in Queensland which are in the vicinity of large resource projects benefit from the operation of those projects. I probably look at this bill through a slightly different prism to some of the other people in this parliament because I look at it in terms of the development of gas projects rather than coalmines. They are quite different. It is important to note that there are only two 100 per cent approved FIFO mines in Queensland. They were approved under the Bligh Labor government, and that is Caval Ridge and Daunia. The bill intends to limit the use of fly-in fly-out workforces and ensure that local workers from nearby regional communities are employed in the operation of large resource projects. This bill also bans underground coal gasification, and again it should be noted that all three UCG trials were approved under the Beattie and Bligh Labor governments.

I note there are also a number of amendments tabled in relation to this bill, and I look forward to hearing the minister's explanation of his amendments. The LNP opposition will also seek to amend this bill with a view to improving the bill as a result of the feedback received from communities and submitters. The LNP does not support 100 per cent FIFO resource projects. This has been a consistent and longstanding policy of the LNP. The LNP are putting regional Queenslanders first and want to see opportunities being provided to locals who live in regional communities. The LNP recognises that resource communities and local governments which have been impacted significantly by resource projects need to have a stronger social assessment framework to manage the impacts of those projects and ensure that Queensland has strong and vibrant communities that are attractive for resource workers and their families to live and work.

I have seen much of this firsthand in recent times in my electorate with the developments across the Surat Basin. One of these challenges is the steep peaks and troughs in the resource industry with the construction and development of projects. As I see it, the industry will always be like this: time is a cost to the industry and they need to get on with their projects. It is our responsibility to work with the industry and ensure we are able to help them manage the impacts that their projects have on communities. I will now detail some of the shortcomings of the current bill and some suggestions from stakeholders as to how the bill could be improved.

Retrospective changes can increase the sovereign risk to companies and investors, and there are a number of companies affected by the retrospective provisions of the bill. The Coordinator-General advised that there are some 40 projects—about 15 coordinator projects and about 30 in the Department

of Environment and Heritage Protection. When a company sits down with a sovereign government and signs an agreement and at some time in the future the government signals that the agreement is broken, there is a sovereign risk issue that arises which did not exist before for investors and the company.

There are also concerns in relation to the reverse onus of proof provision contained in the bill. These concerns were raised on more than one occasion. This would not be the first legislation from the Palaszczuk Labor government to contain the reverse onus of proof. Do members remember the vegetation management legislation? Mr Martin Klapper, chair of the mining and resources law committee from the Queensland Law Society, told the committee—

Reversal of onus of proof by itself is a pretty serious step.

Mayor Joyce McCulloch of the Mount Isa City Council also raised concerns about the reverse onus of proof at the hearing in Mount Isa. She said—

Additionally, the governing legislation has proposed a reverse onus of proof which means the mining companies are considered guilty until they prove they are innocent of breaching legislation more specifically around the employment recruitment process of employing local residents versus FIFO employees. That is quite a severe change in the legislation and goes against the basic principles of the judicial system in Australia where you are innocent until proven guilty. This must be adequately addressed to ensure the rights and liberties of those concerned.

The definition of 100 per cent FIFO is written in the negative; it is also open to abuse. This definition could easily be subverted. If the company employed a couple of cleaners then they would satisfy the definition. David Sweetapple of Miles, who is a constituent from my electorate, raised this concern in his submission to the committee. He said—

... I feel the terminology of **100% FIFO** is deeply flawed.

Even I can see the resource companies will place one man in the community and claim **they are not 100% FIFO**.

He suggested that the proposed amendment needs to remove all reference to '100 per cent FIFO'. I might also advise the House that David and his family have lived through the resources peaks and troughs of resource developments in Wandoan and Miles for over 50 years. He has seen this happen firsthand in his own communities.

Ms Kirsten Pietzner, the principal adviser for resources and regional development from the Local Government Association of Queensland, made a very good suggestion as to how the bill should be improved. She advised—

We think it would be better if the bill was worded to say that the Coordinator-General must impose conditions on what a company needs to do to employ people from regional areas and if a company meets those conditions then they have met the prohibition on 100 per cent FIFO. Then it is very clear what a company has to do in order to meet that prohibition. At the moment, the way that it is drafted, we think it is left open to 'you could employ two people and you have met the prohibition on 100 per cent FIFO'.

There is no doubt that many communities feel the negative impacts of large-scale FIFO. This includes issues surrounding stress on community services, escalated infrastructure maintenance, contributions to the local economy, housing availability and affordability and lifestyle and safety issues, not to mention what happens with roads, FIFO workers and family impacts. For example, in the Surat Basin in my electorate during the development of the recent resources projects we had about 30,000 people living in the region who were then joined by another 30,000 resource workers in towns like Dalby, Chinchilla, Miles, Roma and almost every place in between. The region did not have the water, the sewerage, the housing or the roads to cope with the doubling of the population that occurred over a very short space of time.

More needs to be done to achieve a genuine partnership with local government, including requiring better consultation with local government—more than is currently provided for in this bill. Resource projects do make substantial demands on council assets and services as well as significantly affecting land use in the surrounding towns and regions. The LGAQ raised with the committee that both current and future projects should be required to have a social impact management plan which is regularly updated to take into account the actual impact of the project over the life of that project. When I move around my communities of Miles and Roma, Chinchilla and Dalby, I can see that there is a need for that to occur. There is a lot of merit in this suggestion; however, it needs to be a framework that allows flexibility for the companies involved and the local government areas. There also needs to be recognition of the cyclical nature of the resource industry business, in particular the commodity market and its fluctuations. We have certainly seen fluctuations in oil and gas prices. What happens in the Surat Basin in Miles can be very different to what happens at Ballara in the Cooper Basin.

The question also has to be asked: do you think there is a need for the bill to apply during the construction phase and not just during the operational phase? Michael Kitzelmann, the chief executive officer of the Mount Isa City Council, said—

It is going to provide a much more equal diversification of the workforce into the local community if it goes from the beginning to the end of a mine.

I am sure he has had particular experience at Mount Isa and made that observation. There is also a suggestion that the social impact assessment process should in some way cover procurement from local businesses and supporting businesses and contractors. The bill, unfortunately, stops short of this.

I will now move to the ban on underground coal gasification. This is of particular importance to my electorate. In 2009 the then state Labor government established a process to undertake limited UCG trials to determine the commercial and environmental viability of this potential industry. They were known as Carbon, Cougar and Linc Energy. Unfortunately, there has been a very poor record of noncompliance: Carbon Energy was fined in December 2012 for releasing contaminated water and breaching the Environmental Protection Act; and Cougar Energy, which was mentioned earlier by the member for Nanango, was fined in 2013 for breaching the Environmental Protection Act. I quote from page 23 of the parliamentary committee report, which states—

Linc Energy went into voluntary administration on 15 April 2016. Former executives of Linc Energy face up to five years in prison, and the company faces ... fines of over \$8 million, if they are found guilty of the environmental charges laid against them in relation to the pilot project at Hopeland.

In July 2013 the Newman LNP government released the final report on the underground coal gasification pilot trials prepared by an independent scientific panel and reviewed by the Chief Scientist. I want to commend the LNP member for Glass House for his work as the minister for environment and heritage protection in ensuring that breaches of the state's environmental laws by Cougar and Carbon were brought to prosecution.

I also want to commend the LNP member for Hinchinbrook as minister for natural resources and mines who called in the Chief Scientist and the independent scientific panel to examine the future of the UCG industry. Companies were charged and fined and there was a report on how to decommission the industry in three years whilst the LNP was in government. What did Labor governments do with the industry since 2009—the five years they were in government? What we saw was Labor approve the trials and now it is back with a ban on the UCG process that Labor approved in 2009. I do not believe that we would be here in this parliament today talking about this ban if not for the work of the member for Glass House and the member for Hinchinbrook, and I want to thank them for upholding Queensland's environmental laws. I do, however, want to make the House aware of some of the irresponsible behaviour of the current Minister for Environment and Heritage Protection. The Minister for Environment and Heritage Protection has whipped up publicity that has potentially devalued the land in the Hopeland region near Chinchilla.

Mr Krause: Fearmonger.

Ms LEAHY: I take the interjection; he has been fearmongering. It is not responsible behaviour to race out to Chinchilla with a planeload of journalists on two occasions and pretend to talk to landowners to address their concerns. The current Minister for Environment and Heritage Protection has fuelled bad publicity for the region and his behaviour has only sought to reduce confidence in the region. His behaviour is obviously driven by pandering to the activists for green preferences in the city and it has not generated credibility locally when dealing with those local issues at hand. The Hopeland region is a thriving agricultural region. I have been on farm in the area and I have seen some very impressive summer crops—sorghum crops with high yields, oats crops right up to the cows' knees and some very healthy livestock and waterways. I cannot say that I have seen every paddock in the Hopeland district, but what I have seen produces high-value, good-quality agricultural produce from clean, green and good farmers. In conclusion, I wish to advise that the LNP does support the ban on underground coal gasification and I commend the bill to the House.